

**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
HANCOCK COUNTY
PROPERTY VALUATION ADMINISTRATOR**

**For The Period
July 1, 2009 Through June 30, 2010**



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Independent Accountant's Report

Lori H. Flanery, Secretary, Finance and Administration Cabinet
The Honorable Dennis Long
Hancock County Property Valuation Administrator
Hawesville, Kentucky 42348

We have performed the procedures enumerated below, which were agreed to by the Hancock County Property Valuation Administrator (PVA), solely to assist you with the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for the period July 1, 2009 through June 30, 2010. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Hancock County PVA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the PVA has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month. Re-perform the year-end bank reconciliation (June 30, 2010), for all bank accounts, to determine if amounts are accurate.

Finding -

Auditor determined that the PVA had a receipts ledger, a disbursements ledger, and reconciles bank records to books each month. Auditor re-performed the bank reconciliation for June 30, 2010, and determined that amounts were accurate as of bank reconciliation date.

2. Procedure -

Confirm any and all payments by the city to the PVA. Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding -

Auditor confirmed any and all payments made by the city to the PVA. Auditor compared recorded city receipts to confirmed payment amounts obtained from city governments. Auditor reviewed the list of city receipts for completeness.



Lori H. Flanery, Secretary, Finance and Administration Cabinet
The Honorable Dennis Long
Hancock County Property Valuation Administrator
(Continued)

3. Procedure -

Confirm any and all payments made by the fiscal court to the PVA. Compare the budgeted statutory contribution by fiscal court to the legally required amounts calculated by the Department of Revenue. Trace the fiscal court payments from the fiscal court statutory contribution budget account to the PVA's local bank account.

Finding -

Auditor compared any and all payments made by the fiscal court to the PVA. Auditor compared the budgeted statutory contribution made by the fiscal court to the legally required amounts calculated by the Department of Revenue. Auditor traced fiscal court payments from the fiscal court statutory contribution budget account to the PVA's local bank account

4. Procedure -

Judgmentally select 15 disbursements from PVA records and agree amounts to cancelled checks, paid invoices or other supporting documentation. Determine if the expenditure is for official business. Review all credit card statements (if any) to determine if expenditures are for official business.

Finding -

Auditor judgmentally selected 15 disbursements from PVA records and agreed amounts to cancelled checks, paid invoices or other supporting documentation. Auditor determined that expenditures were for official business, with one exception. Auditor determined that the PVA does not have a credit card.

PVA Response: All the 15 expenditures were for office use. The one the auditor found was for office shirts. We had the employee names put on them and failed to separate payment for that part. All expenditures were for office use. Names on the shirts will be paid for separately by employees from now on.

5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets. Determine if assets were added to the PVA's Capital Asset Inventory List.

Finding -

Auditor compared capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Auditor was unable to verify the location of newly acquired assets. Auditor determined that the assets were added to the PVA's Capital Asset Inventory List.

PVA Response: Agreed.

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Hancock County Property Valuation Administrator
(Continued)

6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding -

Auditor determined that the PVA did not have any lease agreements or personal service contracts. Auditor determined that the PVA did have a professional service contract. Auditor also determined that the services received were appropriate, for official business, and properly authorized.

7. Procedure -

Compare PVA's final budget to actual expenditures to determine if PVA overspent in any account series.

Finding -

Auditor compared PVA's final budget to actual expenditures and determined that the PVA did overspend budget in two account series.

PVA Response: Sorry, I failed to check budget amounts at the end of the year.

8. Procedure -

Determine whether collateral is necessary for the PVA's funds. If necessary determine if a collateral agreement exists.

Finding -

Auditor concludes that collateral is not necessary for the PVA's funds. Also a collateral agreement is not necessary as well.

9. Procedure -

Determine whether timesheets are completed, maintained, approved, and support hours worked.

Finding -

Auditor determined that timesheets were completed, maintained, approved, and supported hours worked.

10. Procedure -

Determine whether cash balances were properly transferred from former PVA to new PVA.

Finding -

This procedure is not necessary, since there was not a change in PVA's.

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Hancock County Property Valuation Administrator
(Continued)

11. Procedure -

For newly hired employees, during July 1, 2009 through June 30, 2010, of the PVA office determine if the Ethics Certification Form has been completed and is on file.

Finding -

Auditor determined that there were not any newly hired employees, during July 1, 2009 through June 30, 2010, of the PVA's office.

12. Procedure -

Determine if the PVA's office was closed any day other than the state's approved holidays. If so, determine if the proper procedures and forms were completed.

Finding -

Auditor determined that the PVA's office was closed for a day other than the state's approved holidays. Auditor determined that the proper procedures and forms were not completed.

PVA Response: Courthouse was closed by executive order of the County Judge-Executive. PVA obtained copy of the Executive order and it was in the payroll records. Auditors did see the order.

Auditor's Reply: The PVA did not send a notification form to the Department of Revenue for the day the PVA's office was closed.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Property Valuation Administrator and the Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



Crit Luallen
Auditor of Public Accounts

June 8, 2011